



South Carolina House of Representatives

# Legislative Update

Robert W. Harrell, Jr., Speaker of the House

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# HOUSE WEEK IN REVIEW

The House of Representatives approved its proposed **STATE GOVERNMENT BUDGET** for Fiscal Year 2011-2012 by amending and sending to the Senate **H.3700**, this year's **GENERAL APPROPRIATIONS BILL**, and **H.3701**, the joint resolution making appropriations from the **CAPITAL RESERVE FUND**. The proposed \$5.4 billion budget includes widespread cuts for state government agencies made necessary by the declines in state revenue in recent years and the absence of federal stimulus funds that have been used to help offset shortfalls. Evidence of economic recovery can be found in the availability this year of \$350 million above the level of last year's general fund appropriations.

A \$101.4 million increase in Education Finance Act items allows for the base student cost to be increased to an estimated \$1,788, which amounts to an additional \$171 for each pupil. \$25 million is included for the virtual and brick and mortar charter schools of the South Carolina Public Charter School District. Funds are provided to the state's special schools to allow them to operate near full capacity.

The state's institutions of higher education receive cuts ranging from 5 to 8 percent, with budget reductions distributed to universities and colleges using a formula that takes into account the percentage of state general funds comprising an institution's budget and favors institutions with successful graduation rates and higher in-state enrollment. Several appropriations are made from the Capital Reserve Fund to allow higher education institutions to undertake deferred maintenance projects. The state's scholarship programs are fully funded.

The Department of Health and Human Services receives an additional \$435 million mostly to offset the agency's \$350 million deficit. The proposed budget eliminates the proviso that has prohibited alterations in the rates paid to doctors and other service providers in the state's Medicaid Program. The proposed budget authorizes the Director of the Department of Health and Human Services to reduce provider rates as a cost-saving measure. The budget also allows access to \$157.3 million in Medicaid Reserve Fund revenue collected from the fifty-cent cigarette surcharge for maintenance of effort in the Medicaid Program. Residual funds from the cigarette surcharge are to remain in the Medicaid Reserve Fund and may be used by the DHHS director to ensure access to care.

The budget incorporates numerous government restructuring initiatives. The Department of Probation, Parole, and Pardon Services is merged with the Department of Corrections. The Arts Commission and the State Museum are transferred into the Department of Parks, Recreation, and Tourism. The Department of Alcohol and Other Drug Abuse Services is transferred to the Department of Mental Health. The Division of Aeronautics is moved to the Department of Transportation. The Procurement Review Panel is transferred to the Administrative Law Court. The duties, functions, and responsibilities of the Education Oversight Committee are devolved upon the Department of Education and the committee's funding is redistributed to fund other needs such as teacher salaries and supplies.

### **Legislative Update, March 22, 2011**

The new position of Governor's Inspector General is required to make quarterly reports to the House Ways and Means Committee and the Senate Finance Committee on investigations of state government fraud, waste, and abuse. After June 30, 2012, the position of Inspector General must be fully self-sufficient from savings identified in the cabinet agencies under review.

The Judicial System is spared funding reductions and receives \$5 million in capital reserve funds for statewide implementation of its electronic court filing initiative.

The Department of Corrections is fully funded according to the agency's budget request with recurring general funds.

The Department of Disabilities and Special Needs receives an additional \$35 million in recurring general fund appropriations to maintain agency operations. The Department of Social Services is fully funded according to its budget request.

Existing benefits are maintained under the state employee health insurance plan and the additional cost for maintaining the program is divided equally between state employees and their state agency employers.

The state's reserve funds and rainy day accounts are fully replenished.

The budget includes a 10 percent reduction in state aid to local governments.

Budget cuts are directed to state agencies and institutions to eliminate taxpayer funded lobbying. Lobbyist registration fees are increased from one hundred to two hundred dollars with half of the increase remitted to the general fund and the other half retained for use by the State Ethics Commission.

All general funds are eliminated for South Carolina Educational Television, but SCETV is allowed to retain revenue derived from the use of its broadcast towers, signal spectrum, and contracts for other facilities and services in order to fund its operations.

The budget includes an additional \$10 million in capital reserve funds for the Deal Closing Fund that the Department of Commerce uses to recruit new business to South Carolina.

\$13 million in capital reserve funds is included for new job training at the state's technical colleges.

The Department of Parks, Recreation and Tourism receives \$5.4 million in capital reserve funds for marketing destination specific tourism.

The Forestry Commission is shielded from general fund reductions and receives \$3 million in capital reserve funds to replace equipment used for such activities as firefighting.

# HOUSE COMMITTEE ACTION

The full committees, with the exception of the Ways and Means Committee, did not meet this week while the budget was taken up by the full House.

## WAYS AND MEANS

The full Ways and Means Committee met on Wednesday, March 16, to report out three pieces of legislation.

The committee gave a favorable report on **S.434**. This joint resolution suspends a Fiscal Year 2010-2011 General Appropriations Act provision prohibiting the Department of Health and Human Services from reducing **MEDICAID PROGRAM PROVIDER RATES**. The legislation authorizes the DHHS director to reduce rates paid to doctors and other providers under the state's Medicaid Program as a cost saving measure. All proposed rate changes must include estimates of the projected dollar savings by source of funds and the number of providers and clients impacted. Six months after receiving approval from the Centers for Medicare and Medicaid Services to implement rate changes, DHHS must submit to the Senate Finance Committee and House Ways and Means Committee a report reconciling actual savings by source of funds and actual providers and clients impacted in comparison to the estimate.

The committee gave a report of favorable with amendments on **H.3642**. This joint resolution authorizes the **SUSPENSION OF AUTOMATIC STEP INCREASES IN TEACHER SALARIES** by providing that a local school district may, for Fiscal Year 2011-2012, pay teachers based on the years of experience the teachers possessed in fiscal year 2010-2011 without negative impact to their experience credit. The legislation provides voting and notice requirements for this decision. The legislation requires that payment under the suspension must be applied uniformly. If a local school district takes advantage of this authority to suspend step increases, the school district may not pay district or school administrators more than they received in fiscal year 2010-2011. The legislation requires a local school district to continue to pay teachers and administrators for changes in their education levels.

The committee gave a report of favorable with amendments on **H.3643**, a joint resolution pertaining to **TEACHER EMPLOYMENT FOR THE 2011-2012 SCHOOL YEAR**. This joint resolution requires local school districts to decide and notify teachers of their employment for the 2011-2012 school year by May 15, 2011. The legislation requires teachers who are reemployed by written notification to notify the district board of their acceptance within ten days of receipt of written notification of employment. A continuing-contract teacher who is being recommended for formal evaluation the following school year must be notified in writing by the May 15 deadline. The legislation allows districts to uniformly negotiate salaries below their salary schedule for the 2011-2012 school year for retired teachers who are not participants in the Teacher and Employee Retention Incentive (TERI) Program.

# BILLS INTRODUCED IN THE HOUSE THIS WEEK

## EDUCATION AND PUBLIC WORKS

### **H.3948 OPERATION OF GOLF CARTS ON HALLOWEEN Rep. Clemmons**

This legislation allows a golf cart equipped with operating headlights and brake lights to be operated until 9:00 p.m. on October thirty-first of each year.

### **H.3949 BOARD OF TRUSTEES OF WINTHROP UNIVERSITY Rep. King**

This legislation removes the member of the Board of Trustees of Winthrop University appointed by the Governor and provides for an additional member to be elected by the General Assembly.

## JUDICIARY

### **S.20 ILLEGAL IMMIGRATION REVISIONS Sen. Grooms**

This legislation makes various revisions pertaining to the presence of illegal aliens in the State. Among other things, the legislation includes the following:

- This legislation allows a resident of a political subdivision to bring a civil action to enjoin the enactment of certain ordinances or policies pertaining to immigration. The legislation allows the court to impose a fine if the court finds that the political subdivision has intentionally violated certain provisions.
- Federal law requires a person that comes into the country to carry certain identification on his person. This bill proposes to make it a misdemeanor offense to not have that identification if an officer requests it for a lawful reason. The bill also makes it a crime to present fraudulent identification, and this bill makes it a felony offense to manufacture fraudulent documents for an illegal alien. Law enforcement can only request identification in connection to a lawful stop or reason. The illegal alien is afforded the usual bond on either offense; however, a court setting bond shall consider whether the person charged is an alien unlawfully present in the United States. Also, officials will work with the federal immigration agency on any hold that may be placed on the individual or transport the individual to an approved detention facility.
- The legislation places a fee on money transmitters that wire money to another country. Any funds generated from these wire transfers will be used to fund an immigration enforcement unit within the Department of Public Safety. This special unit will assist local law enforcement with immigration enforcement issues.
- This legislation amends portions of the 2008 employer verification law. Among other things, the waiver of the monetary fine imposed on an employer for initial violations of the law if the employer complies was removed. The fine will be based on the degree of non-compliance up to \$1,000 per violation. Also, a general contractor must keep the contact name and phone number of any

subcontractor on a job site available upon request of a Labor, Licensing and Regulation enforcement officer. Additionally, the legislation allows a business to have its name removed from the state regulator's website of offenders after a year of compliance with the law that requires them to verify employees' legal status.

**S.220 PROHIBITION ON THE RESALE OF FOOD THAT HAS BEEN SERVED OR SOLD TO AND POSSESSED BY A CONSUMER Sen. Jackson**

Under this legislation, food that has been sold or served to and possessed by a consumer that is returned by the consumer is considered adulterated and may not be offered for resale as food for human consumption. Containers of food that do not require time and temperature controls and that are not considered potentially hazardous may be re-served or sold if the food is in an unopened original package and is maintained in sound condition

**H.3922 PROBATE JUDGES Rep. Erickson**

Relating to the requirement that the governing body of each county provide the judge of probate with the necessary office equipment, books, office space, and personnel for the operation of the court, this bill provides that these judges have absolute control over these matters, including use of budgeted funds, employee classifications, compensation, and promotions.

**H.3931 PROPOSED CONSTITUTIONAL AMENDMENT RELATING TO GAMBLING AND GAMING ACTIVITIES Rep. H. B. Brown**

This legislation proposes to amend the State Constitution so as to allow the General Assembly by law, in specified areas of the State, to provide for the conduct of gambling and gaming activities on which bets are made to include pari-mutuel betting on horse racing, sports betting on professional sports, casino activities, such as card and dice games where the skill of the player is involved in the outcome, and games of chance with the use of electronic devices or gaming tables, all of which strictly must be regulated and may be conducted in one location or in separate locations within the specified area. The revenue realized by the State and local jurisdictions is to be used for operational purposes of government, including tax relief and school and infrastructure improvements. The proposed constitutional amendment must be submitted to the voters at the next general election.

**H.3932 REVISIONS TO THE COMMISSION ON PROSECUTION COORDINATION Rep. Pitts**

Relating to the responsibilities of the executive director and staff of the Commission on Prosecution Coordination, this legislation provides that staffing for the central office of the commission is limited to three positions. Also, the legislation provides for the transfer of the remaining positions to the Office of the Attorney General, and it provides that the budget for the commission must be subdivided into three programs.

**H.3945 "PERSONHOOD ACT OF SOUTH CAROLINA" Rep. Barfield**

This legislation provides that the right to life for each born and preborn human being vests at fertilization. The legislation further provides that the rights guaranteed by Section 3, Article I of the State Constitution, that no person shall be deprived of life without due process of law, nor shall any person be denied the equal protection of the laws, vest at fertilization for each born and preborn human person.

**H.3950 ANIMAL CONTROL OFFICERS Rep. Long**

This bill provides that an animal control officer has the same powers and duties as a litter control officer.

**H.3953 MEMORIALIZING CONGRESS TO ENACT THE "CLEAR LAW ENFORCEMENT FOR CRIMINAL ALIEN REMOVAL ACT" (ALSO KNOWN AS THE "CHARLIE NORWOOD CLEAR ACT") Rep. Patrick**

This is a concurrent resolution to memorialize the Congress of the United States to enact, without delay, the provisions contained in the "Clear Law Enforcement For Criminal Alien Removal Act", also known as the "Charlie Norwood Clear Act", which would, among other provisions, allow state and local law enforcement agencies to enforce federal immigration laws and detain in state or local custody illegal aliens.

**H.3954 NO PUBLIC FUNDS OR PUBLIC RESOURCES MAY BE USED BY A PUBLIC OFFICIAL OR EMPLOYEE TO GRADE ANOTHER PUBLIC OFFICIAL Rep. King**

This legislation provides that no public funds or public resources may be used by a public official or employee to grade another public official.

## **LABOR, COMMERCE AND INDUSTRY**

**H.3921 VETERAN'S UNCLAIMED CREMATED REMAINS Rep. Hardwick**

This bill provide for the manner in which and conditions under which the unclaimed cremated remains of a veteran may be interred without liability to the funeral director, undertaker, funeral home, or others involved in the interment.

**H.3930 "SOUTH CAROLINA COMMERCIAL AND INDUSTRIAL IMPORTED FUELS REDUCTION ACT" Rep. Erickson**

This bill enacts the "South Carolina Commercial and Industrial Imported Fuels Reduction Act" to provide county and municipal governing bodies with authority to establish special districts to promote, encourage, and facilitate renewable energy and energy efficiency development within the territory served. The legislation authorizes the imposition of an assessment for the purpose of financing projects that facilitate renewable energy technology and energy efficiency improvements and authorizes the issuance of special district bonds or revenue bonds.

## **MEDICAL, MILITARY, PUBLIC AND MUNICIPAL AFFAIRS**

**S.109 "REFLEX SYMPATHETIC DYSTROPHY SYNDROME EDUCATION ACT" Sen. Verdin**

The legislation requires the Department of Health and Environmental Control to establish a program to promote awareness of the syndrome and the importance of early detection, diagnosis, and treatment. "Reflex Sympathetic Dystrophy Syndrome" means a neurologic syndrome of unknown etiology characterized by severe burning pain, pathological changes in bone and skin, tissue swelling, and extreme sensitivity to touch, that, if untreated, results in permanent deformity and chronic pain. The bill also provides guidelines for the program.

**H.3933 HAND SANITIZER RECEPTACLES Rep. Jefferson**

The bill outlines that public buildings intended for frequent use and access to the general public must have a hand sanitizer receptacle mounted near every major entrance of the building.

**H.3955 TELEMEDICINE Rep. Patrick**

“Telemedicine” means the practice of medicine from a distance in which intervention and treatment decisions and recommendations are based on clinical data, documents, and information transmitted through telecommunications systems. The legislation governs the practice of medicine using telecommunication systems in addition to or replacement for traditional face-to-face patient visits. In addition, the legislation provides requirements for the practice of telemedicine.

## WAYS AND MEANS

**H.3929 ELIGIBILITY FOR JOINT MUNICIPAL POWER AGENCIES TO PARTICIPATE IN THE STATE HEALTH AND DENTAL INSURANCE PLANS Rep. Allison**

This bill extends eligibility for participation in the State Health and Dental Insurance Plans to joint agencies established under the Joint Municipal Electric Power and Energy Act.

**H.3934 PROPERTY TAX ASSESSMENT OF UNDEVELOPED ACREAGE SUBDIVIDED INTO LOTS Rep. Bingham**

This bill revises provision for the property tax assessment of undeveloped acreage subdivided into lots, so as to provide that the discount applies to a developer that has five lots instead of ten lots. The legislation provides that, if application for the discounted rate comes after May 1 but before June 1, the owner shall receive the discounted rate but the discount shall be reduced. The legislation revises multiple lot discounts, so as to provide that the discount applies to a developer that has five lots instead of ten lots. The legislation provides that if application for the discounted rates comes at a certain time after May 1 the assessor still shall grant the discount if all other requirements are met. The legislation provides that application for the discounted rate only must be made in the first year and tolls time limitations for certain property.

**H.3946 SOUTH CAROLINA UNBORN CHILDREN’S MONUMENT Rep. Barfield**

This joint resolution creates the South Carolina Unborn Children’s Monument Commission to erect a monument on the State House grounds as a memorial to South Carolina children whose lives ended before their birth. The legislation provides for the powers and duties of the commission and requires private funding for the establishment of this monument.



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